

m/047/022

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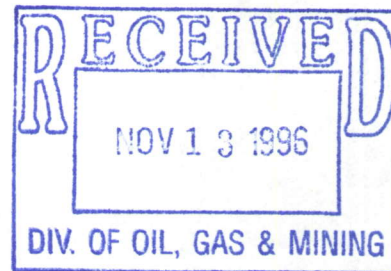
OF COUNSEL

ROBERT G. PRUITT, III
BRENT A. BOHMAN

November 12, 1996

*** **HAND DELIVERED** ***

Mr. Tony Gallegos
Utah Division of Oil, Gas and Mining
1594 West North Temple, Ste. 1210
Box 145801
Salt Lake City, UT 84114-5801



Re: *Uintah County Mine Plan*

Dear Mr. Gallegos:

Pursuant to your request yesterday, please find enclosed the original Reclamation Contract executed by Uintah County, and a certified copy of Resolution No. 10-29-96R.

I understand this completes the filings required by the County and the Division is prepared to issue an order by the Board approving the amendment. If you have a different understanding or require anything further, please let me know immediately.

Thank you for your prompt attention to this matter.

Yours very truly,

Robert G. Pruitt, III

RGP:eb

0998.08

cc: Patrick O'Hara, Esq.(w/encls.)
Lonnie L. Hogan(w/o encls.)
Thomas W. Bachtell, Esq.(w/encls.)

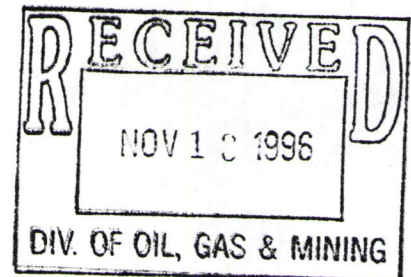
Enclosures

FORM MR-RC
Revised June 10, 1996
RECLAMATION CONTRACT

File Number M/047/022

Effective Date Nov 15, 1996

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801)538-5291
Fax (801)359-3940



RECLAMATION CONTRACT
---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/047/022
(Mineral Mined) Tar Sands

"MINE LOCATION":
(Name of Mine) Uintah County Asphalt Mine
(Description) _____

"DISTURBED AREA":
(Disturbed Acres) 10.0 on this amendmnt now total 80.5
(Legal Description) (refer to Attachment "A")

"OPERATOR":
(Company or Name) Uintah County
(Address) 147 East Main
Vernal, Utah 84078
(Phone) (801)789-1070

"OPERATOR'S REGISTERED AGENT":

(Name)

Lonnie Hogan

(Address)

147 East Main

Vernal, Utah 84078

(Phone)

(801)789-1070

(801)828-7735 = Mobile

"OPERATOR'S OFFICER(S)":

Lonnie Hogan, Road Superintendent

"SURETY":

(Form of Surety - Attachment B)

Agreement

"SURETY COMPANY":

(Name, Policy or Act. No.)

N/A

"SURETY AMOUNT":

(Escalated Dollars)

\$14,619.00 for this amendment only,
which combined with prior contracts,
now total \$146,400, escalated to
2001 dollars.

"ESCALATION YEAR":

2001

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Uintah County the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/047/022 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Section 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved

Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated May 9, 1988, and the original Reclamation Plan dated May 9, 1988. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Company, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area,

Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.

13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

UINTAH COUNTY

Operator Name

By: Lonnie Hogan, Road Superintendent
Authorized Officer (Typed or Printed)

Lonnie Hogan
Authorized Officer's Signature

10-10-96
Date

=====

SO AGREED this 12 day of November, 19 96

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY

David D. Lauriski
David D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By


James W. Carter, Director

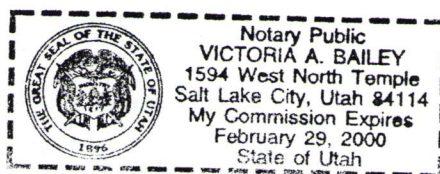
Date


November 15, 1996

STATE OF UTAH _____)

COUNTY OF SALT LAKE) ss:

On the 18 day of November, 19 96, personally appeared before me James W. Carter, who being duly sworn did say that he/she, the said James W. Carter is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.




Notary Public
Residing at: SALT LAKE CITY, UTAH

2-29-2000
My Commission Expires:

OPERATOR:

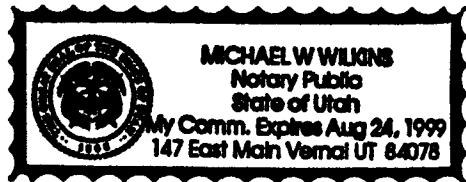
UINTAH COUNTY
Operator Name

By Lonnie Hogan, Road Superintendent 10-10-96
Corporate Officer - Position Date

Lonnie Hogan
Signature

STATE OF UTAH _____)
COUNTY OF Uintah _____) ss:

On the 10 day of Oct., 19 96, personally
appeared before me Lonnie Hogan, who
being duly sworn did say that he/she, the said _____
is the Road Superintendent of Uintah County
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Lonnie Hogan duly acknowledged to me that said
company executed the same.



Michael W. Wilkins
Notary Public
Residing at: Vernal, UT

8-24-99
My Commission Expires:

ATTACHMENT "A"

Uintah County
Operator

Uintah County Asphalt Mine
Mine Name

MS/047/022
Permit Number

Uintah County, Utah

The legal description of lands to be disturbed is:

10 acres for this amendment for a total of 80.5 acres in:

Township 4 South, Range 21 East, SLB&M

Section 30: SE $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$,
SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 31: NE $\frac{1}{4}$

See maps filed with Division of Oil, Gas and Mining.